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C O N F I D E N T I A L SECTION 01 OF 02 CANBERRA 001410

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TAGS: [PGOV](#) [ELAB](#) [AS](#)
SUBJECT: ORGANIZED LABOR THROWS DOWN THE GAUNTLET

REF: CANBERRA 1172

Classified By: DCM Michael P. Owens. REASONS 1.4 (b) and (d)

¶1. (C/NF) SUMMARY. At a September 13 luncheon speech at the National Press Club, Greg Combet, the Secretary of the Australian Confederation of Trade Unions (ACTU), fiercely attacked the Howard Government and its labor reforms saying that the new industrial relations laws were unfair and calling the Government deceitful. Before a large number of Labor Party (ALP) politicians -- and a sympathetic crowd brought in to provide a cheering section -- Combet said the ACTU would campaign against the workplace legislation as long as necessary, keeping its ads on TV, defending people in the workplace, mobilizing in the streets, campaigning in the marginal seats, and building a movement for change. Responding to post-speech press questions that tried to draw out policy differences between the ACTU and the ALP, Combet repeatedly emphasized that the ACTU strongly supported Kim Beazley and the ALP. While the ACTU's opposition to the Government's labor reforms is not new, the large ALP attendance at the lunch and the strong support voiced by Combet indicate that Beazley's efforts to reengage unions (see Ref) are starting to bear fruit: Organized Labor and the ALP will fight the 2007 Federal elections together. END SUMMARY

¶2. (U) Greg Combet, the Secretary of Australia's umbrella trade union organization the ACTU, gave a combative speech at the National Press Club on September 13. After a demonstration/pep rally/press conference in front of the venue before the speech, Combet went on the offensive, charging that the Government lied about refugees throwing their children overboard in 2003; took the country to war in Iraq over weapons of mass destruction that did not exist; spent \$55 million on advertising to promote the industrial relations (IR) laws; and in the last election campaign, made misleading claims about interest rates. He said unions do not want to go down the U.S. road. They do not want "widening inequality and social dysfunction." Combet vowed unions would not be intimidated by the Government. Their campaign against the IR laws would continue and grow.

¶3. (SBU) Calm, measured and well-spoken, Combet gave a partisan speech to an enthusiastic audience of rank-and-file labor supporters and ALP politicians -- observed by two tables of senior journalists, and a TV audience. Questions were confined to the journalists, who spent their time trying to find policy differences between the ACTU and the ALP and its leader Kim Beazley. Combet dispelled any idea of a split on the IR laws and went out of his way to emphasize his agreement with Kim Beazley's statements. (NOTE: Judging by

Government ministers' attacks on Combet and on Beazley's alleged obeisance to the ACTU at that afternoon's parliamentary question-time, Coalition politicians appear to have been very interested observers. END NOTE) The final question at the lunch was reserved for a prize-winning student journalist, who asked Combet if he had any political ambition, to which he responded "not now."

¶4. (C/NF) COMMENT: The political atmosphere, the big ALP turnout, and Combet's emphasis on the ACTU's common cause with the Labor Party suggest strongly that the ACTU and the ALP will fight the 2007 elections together. In 2004, the ALP under Mark Latham and the ACTU were not as united. Combet's presentation provided an early sign that Beazley's overture to the unions is paying off. The jury is still out as to whether this partnership will help the ALP win next year. As the Australian Financial Review pointed out in a subsequent editorial, unions represent only one in six private-sector workers, and two-fifths of union members voted for the Government in the last elections anyway. It also appears that the new IR legislation may actually be responsible for job creation. Current unemployment figures are the lowest in 30 years. On the other hand, the new IR laws have generated much negative publicity and the ALP is heavily targeting those two-fifths of the union members it lost last time.

¶5. (C/NF) While the ALP must welcome the ACTU's support, they also must worry that Organized Labor will pull them left and away from the political center where elections are won. While Combet emphasized the closeness of the ALP's and the ACTU's IR policies, the reality is that the ACTU would like to go further than the ALP and not only repeal the new laws, but put unions back at the heart of workplace bargaining,

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whether or not a majority of a company's workers are so inclined.

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